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8 **UNITED STATES BANKRUPTCY COURT**  
9 **FOR THE SOUTHERN DISTRICT OF NEW YORK**

10 In Re:

11 DELPHI CORPORATION, et al.,

12 Debtor(s).

Case No. 05-44481-RDD

CHAPTER 11

**MARICOPA COUNTY'S NOTICE  
OF PERFECTED LIEN; AND  
OBJECTION TO THE DEBTOR'S  
MOTION FOR ORDER AUTHORIZING  
THE SALE OF CERTAIN OF THE  
DEBTOR'S ASSETS FREE AND CLEAR  
OF ALL LIENS, CLAIMS, INTERESTS  
AND ENCUMBRANCES**

15 Maricopa County Treasurer, by and through their undersigned counsel, hereby  
16 provides notice that it claims a perfected statutory lien in accordance with A.R.S. § 42-  
17 17153 and notice that Maricopa County's inchoate lien attached January 1, 2007 with  
18 the amount of the 2007 taxes to be determined in August 2007.

19 The personal property located in Maricopa County is encumbered with a fully  
20 perfected tax lien in the amount of \$4,805.23 plus accruing interest. The lien represents  
21 a tax liability on personal property parcel 949-65-352.

22 The personal property located in Maricopa County is encumbered with an  
23 inchoate tax lien in an amount to be determined this August plus accruing interest. The  
24 liens represent 2007 tax liabilities on personal property parcels 949-65-352, 949-65-343  
25 and 900-60-653.



1 Maricopa County objects to the sale of the property if the tax liabilities associated  
2 with such property, located in Maricopa County, are not fully paid at closing from the  
3 proceeds of the sale in accordance with A.R.S. § 42-17153. Under Arizona law, the  
4 county has a valid lien that is "prior and superior to all other liens and encumbrances on  
5 the property." A.R.S. § 42-17153.

6 The county is entitled to have its tax liens on the property paid "from the sale of  
7 which the funds\*\*\*were derived and, to the extent necessary to discharge the debt  
8 secured by the lien, the proceeds of the sale of the property were withdrawn from or  
9 taken out of the assets of the estate." *Brans v. City of Dallas, Texas*, 217 F.2d 640 (5th  
10 Cir.1954). In *Ingram v. Coos County, Or.*, the Court held that "It follows therefore that  
11 appellee's claim for taxes out of the proceeds of the bankrupt's property sold to satisfy  
12 the tax lien, is entitled to priority over all other claims 'except the payment of the actual  
13 and necessary costs of the sale of the personal property upon which said taxes were  
14 assessed'." *Ingram v. Coos County, Or.*, 71 F.2d 889 (9th Cir. 1934).

15 The county further objects to the sale if the sale price is not greater than the total  
16 value of the liens on the property. "Section 363(f)(3) requires the sale price to be  
17 *greater* than the total value of the liens on the property. The phrase the 'value of the  
18 liens' must be construed to mean the full face amount of the claims secured by the  
19 liens. Interpreting the phrase to mean the 'economic value of the liens' is inconsistent  
20 with the plain language of section 363(f)(3) since a sale price can never be *greater* than  
21 the economic value of the liens." *In re Canonigo*, 276 B.R. 257 (Bankr.N.D.Cal.2002).

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23 . . . .

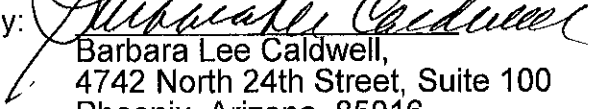
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1 RESPECTFULLY SUBMITTED this 13 day of February, 2007.

3 HEBERT SCHENK, P.C.

4 By:   
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8 A copy of the foregoing mailed this  
9 13 day of February, 2007, to:

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